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CURRENT MINNESOTA LABOR MARKET CONDITIONS

January 1983 Supplement to The Review of Labor and Economic Conditions

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Nation

Even though there was a noticeable deceleration in the decline of certain key indicators in December, it is not clear that a recovery is underway. However, some economists believe the recession may have ended in December.

The small December rise of a 0.1 percent to 10.8 percent in the Nation's seasonally adjusted unemployment rate may be a sign that unemployment is nearing its peak. Also encouraging was that the December drop in manufacturing employment was much smaller than in the two previous months. On the other hand, seasonally adjusted total nonfarm payroll employment still showed a sizeable decline in December and although claims for unemployment benefits have been dropping in recent weeks, unemployment is expected to remain high throughout 1983.

Other developments in December and the fourth quarter also suggested that the downturn may be nearing an end. Industrial production fell by only 0.1 of a percent in December after declines of 0.7 of a percent in November and 1.1 percent in October. Also, a large part of the fourth quarter decline in real gross national product (preliminary estimate) was due to a record drop in inventories which could set the stage for a recovery. There were, however, decreases in retail sales and housing starts and slow growth in personal income and consumer expenditures in December.

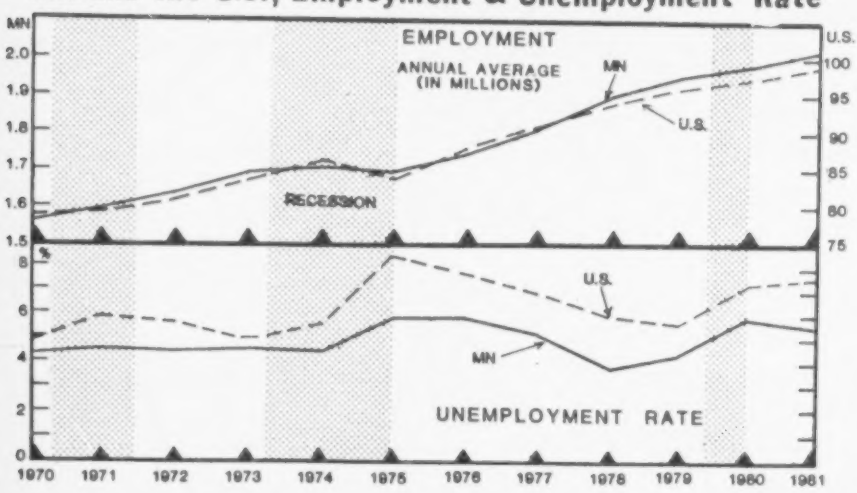
State

The Minnesota economy continued to slide in December as the unemployment rate rose to another new high and total and nonfarm wage and salary employment declined further. Moreover, some economists in the state do not expect much improvement until well after the start of a national recovery.

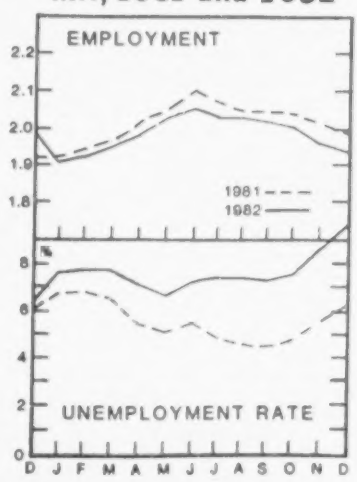
The State's seasonally unadjusted unemployment rate rose 0.7 of a percentage point to 9.3 percent in December. Although the rise was about normal for December, the December rate was a record high for the second month in a row. Even if the rate was overstated by as much as half a point, it would still be well above the highs of the two previous recessions. Total employment (unadjusted) fell slightly faster than it usually does between November and December and showed a sharp over-the-year decline. Also, seasonally adjusted nonfarm wage and salary employment fell for the fifteenth consecutive month, falling by 4,900 in December after a drop of 8,900 in November. Although employment in durable goods manufacturing showed virtually no change in December, we are hesitant to view this as a positive sign because there was also no change in September. Since October 1981 when seasonally adjusted nonfarm wage and salary employment began its long decline, wage and salary employment has fallen by nearly 88,000. The largest reductions in terms of numbers during this period have been in manufacturing, trade and government.

Labor Force Estimates	MINNESOTA (Numbers in '000's)			UNITED STATES (Numbers in '000,000's)		
	December 1982	Change From Last Mo.	Change From Year Ago	December 1982	Change From Last Mo.	Change From Year Ago
Civilian Labor Force	2130.4	-23.2	5.3	110.4	-0.4	1.8
Employed	1932.0	-36.5	-61.1	98.8	-0.6	-0.8
Unemployed	198.4	13.3	66.4	11.6	0.2	2.6
Unemployment Rate						
Actual	9.3	0.7	3.1	10.5	0.1	2.2
Seasonally Adjusted	n.a	n.a	n.a	10.8	0.1	2.2

MN and the U.S., Employment & Unemployment Rate



MN, 1981 and 1982



Minnesota Nonagricultural Wage & Salary Employment, Hours, and Earnings

INDUSTRY	EMPLOYMENT[1] (thousands)			PER CENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Dec. 1982	Nov. 1982	Dec. 1981	Nov. 1982	Dec. 1981	Dec. 1982	Nov. 1982	Dec. 1982	Nov. 1982	Dec. 1982	Nov. 1982
TOTAL NONAGRICULTURAL	1691.5	1699.2	1763.6	-0.5	-4.1						
MANUFACTURING	331.3	334.8	353.4	-1.1	-6.3	372.39	363.78	9.38	9.28	39.7	39.2
Durable Goods	196.5	198.1	213.4	-0.8	-7.9	380.43	370.80	9.44	9.34	40.3	39.7
Furniture, Lumber and Wood	13.1	13.2	13.5	-1.0	-3.2	381.62	370.92	9.76	9.71	39.1	38.2
Stone, Clay and Glass	7.4	8.1	8.4	-8.1	-11.4	359.19	352.36	9.21	9.20	39.0	38.3
Primary Metals	5.4	5.5	6.4	-0.7	-15.5	336.54	323.69	8.81	8.81	38.2	36.7
Fabricated Metals	32.2	32.2	33.3	-0.1	-3.4	446.46	435.30	10.63	10.54	42.0	41.3
Nonelectrical Machinery	76.8	77.5	85.7	-0.9	-10.4	385.42	379.45	9.54	9.52	40.4	39.9
Electrical Machinery	25.0	25.4	25.7	-1.5	-2.6	329.54	322.62	8.28	8.23	39.8	39.2
Transportation Equipment	5.9	4.8	6.4	24.2	-6.6	390.82	359.33	9.97	9.19	39.2	39.1
Other Durable Goods [2]	30.6	31.5	34.0	-2.6	-9.9	356.13	346.12	8.75	8.61	40.7	40.2
Nondurable Goods	134.8	136.7	140.0	-1.4	-3.8	363.09	354.20	9.31	9.20	39.0	38.5
Food and Kindred	43.9	45.9	45.3	-4.2	-3.1	342.86	337.26	8.68	8.56	39.5	39.4
Textile and Apparel	4.9	5.2	7.0	-5.6	-29.8	222.90	216.75	5.96	5.89	37.4	36.8
Paper and Allied	31.2	31.0	32.0	0.9	-2.6	438.60	429.09	10.32	10.29	42.5	41.7
Printing and Publishing	34.7	34.5	33.7	0.4	2.9	361.43	351.00	10.21	10.00	35.4	35.1
Chemical and Petroleum	8.8	8.8	9.5	-0.9	-7.5	386.31	378.86	9.88	9.97	39.1	38.0
Rubber and Leather	11.3	11.3	12.5	-0.3	-9.6	296.32	291.40	7.86	7.94	37.7	36.7
NONMANUFACTURING	1360.2	1364.4	1410.2	-0.3	-3.5						
Mining and Quarrying	6.2	6.3	14.9	-0.6	-58.0	492.32	479.31	13.27	12.85	37.1	37.3
Metal Mining	4.8	4.4	13.4	9.5	-64.2	530.31	530.31	14.69	14.69	36.1	36.1
Construction	56.3	64.4	64.4	-12.6	-12.5	525.40	470.23	14.20	14.38	37.0	32.7
Building	16.6	18.2	20.0	-8.9	-16.8	464.82	442.43	12.20	12.75	38.1	34.7
Highway and Heavy	6.8	11.5	7.9	-41.5	-14.9	442.43	350.11	11.99	11.99	36.9	29.2
Special Trades	33.0	34.7	36.5	-4.9	-9.6	574.03	522.25	15.77	16.02	36.4	32.6
Transportation	59.9	60.1	63.6	-0.4	-5.9						
Railroads	12.5	12.7	15.0	-1.6	-16.3	477.90	477.90	10.04	10.04	47.6	47.6
Trucking and Warehousing	23.3	23.1	24.3	0.8	-4.2	435.26	438.37	11.86	11.88	36.7	36.9
Public Utilities	33.0	33.1	34.3	-0.4	-3.8	471.62	468.85	11.97	11.93	39.4	39.3
Communications	18.9	19.0	19.7	-0.5	-4.1	434.25	434.64	11.25	11.26	38.6	38.6
Elec., Gas and Sanitary	14.1	14.1	14.6	-0.2	-3.3	515.50	507.67	12.76	12.66	40.4	40.1
Trade	433.2	429.3	447.1	0.9	-3.1	211.20	208.68	7.04	7.05	30.0	29.6
Retail	323.3	319.0	330.4	1.3	-2.2	168.85	165.51	6.14	6.13	27.5	27.0
General Merchandise	49.7	47.2	52.2	5.2	-4.9	168.07	159.29	5.64	5.73	29.8	27.8
Food Stores	45.3	44.8	46.0	1.1	-1.6	208.85	210.05	7.38	7.37	28.3	28.5
Automotive	33.4	33.5	33.9	-0.2	-1.2	253.66	249.22	7.31	7.33	34.7	34.0
Eating and Drinking	104.4	104.9	106.5	-0.4	-2.0	91.35	90.27	4.35	4.34	21.0	20.8
Wholesale	109.9	110.3	116.7	-0.3	-5.8	360.14	357.50	9.33	9.31	38.6	38.4
F.I.R.E.	97.7	97.5	98.0	0.2	-0.4						
Finance	46.8	46.6	45.8	0.3	2.0						
Insurance	35.3	35.2	35.6	0.3	-0.8						
Real Estate	15.6	15.6	16.6	-0.2	-6.2						
Service Industries	389.0	388.1	386.0	0.2	0.8						
Hotel and Lodging	19.4	19.2	21.0	1.0	-7.2						
Business Services	58.3	58.4	58.8	-0.2	-0.9						
Health Services	133.9	133.5	131.4	0.3	1.9						
Private Education	24.9	24.6	24.0	1.3	3.8						
Soc. Serv., Museums etc.	84.7	84.5	83.8	0.2	1.0						
Government	284.9	285.5	301.9	-0.2	-5.6						
Federal	30.0	30.1	30.7	-0.2	-2.2						
State	72.6	73.4	74.5	-1.1	-2.5						
Local	182.2	182.0	196.7	0.1	-7.4						

[1] Totals may not add because of rounding.
[2] Includes Scientific Instruments and Miscellaneous Industries.

Labor Force Data: State, SMSAs, and Counties

Area or County	December, 1982 Prelim.		
	Labor Force[1/]	Unemp.	Un. Rate
State of Minnesota	2130334	198351	9.3
Metropolitan Areas			
Duluth/Superior (Duluth City Only)	35635	4108	11.5
Fargo/Moorhead (Clay County, MN Only)	27659	2004	7.2
Minneapolis/St. Paul SMSA[2/]	1168148	87473	7.5
Rochester SMSA (Olmsted Co.)	58301	3948	6.8
St. Cloud SMSA[3/]	75368	7768	10.3
Counties			
Aitkin	5158	949	18.4
Anoka	110976	8671	7.8
Becker	12455	1942	15.6
Beltrami	16026	1673	10.4
Benton	11808	1179	10.2
Big Stone	3756	325	8.7
Blue Earth	28811	2256	7.8
Brown	14815	1357	9.2
Carlton	11853	1627	13.7
Carver	21124	1787	8.5
Cass	9516	1447	15.2
Chippewa	6916	822	11.9
Chisago	14819	1396	9.4
Clay	27659	2004	7.2
Clearwater	3736	865	23.2
Cook	2212	382	17.3
Cottonwood	6905	484	7.0
Crow Wing	16938	2237	13.2
Dakota	109560	8240	7.5
Dodge	7959	898	11.3
Douglas	12949	1382	10.7
Faribault	10375	943	9.1
Fillmore	11387	1090	9.6
Freeborn	17434	1600	9.2
Goodhue	19122	1608	8.4
Grant	3266	283	8.7
Hennepin	529723	38336	7.2
Houston	9183	601	6.5
Hubbard	5431	828	15.2
Isanti	10229	1268	12.4
Itasca	17576	3730	21.2
Jackson	7314	394	5.4
Kanabec	5384	800	14.9
Kandiyohi	17665	1682	9.5
Kittson	3152	285	9.0
Koochiching	7701	1094	14.2
Lac qui Parle	5368	394	7.3

Area or County	December, 1982 Prelim.		
	Labor Force[1/]	Unemp.	Un. Rate
Lake	4589	1516	33.0
Lake of the Woods	1893	179	9.5
Le Sueur	11116	1474	13.3
Lincoln	3230	282	8.7
Lyon	14307	1189	8.3
McLeod	15597	1404	9.0
Mahnomen	2520	320	12.7
Marshall	6214	976	15.7
Martin	13925	1345	9.7
Meeker	10697	1109	10.4
Mille Lacs	8748	1045	11.9
Morrison	12789	2170	17.0
Mower	17381	1476	8.5
Murray	5550	498	9.0
Nicollet	14702	1032	7.0
Nobles	11494	723	6.3
Norman	4352	317	7.3
Olmsted	58301	3948	6.8
Otter Tail	23078	2506	10.9
Pennington	6342	704	11.1
Pine	9258	1370	14.8
Pipestone	5133	332	6.5
Polk	15678	1420	9.1
Pope	5183	586	11.3
Ramsey	259077	19084	7.4
Red Lake	2082	354	17.0
Redwood	10201	781	7.7
Renville	11040	1025	9.3
Rice	23756	2378	10.0
Rock	5169	275	5.3
Roseau	5242	763	14.6
St. Louis (Inc. Duluth)	97048	21560	22.2
Scott	25231	2377	9.4
Sherburne	14106	1722	12.2
Sibley	7946	853	10.7
Stearns	49654	4867	9.8
Steele	15860	1383	8.7
Stevens	5417	397	7.3
Swift	5996	641	10.7
Todd	11069	1203	10.9
Traverse	2582	250	9.7
Wabasha	9442	1159	12.3
Wadena	6072	734	12.1
Waseca	8656	812	9.4
Washington	63797	4517	7.1
Watonwan	6284	532	8.5
Wilkin	4146	413	10.0
Winona	21662	2098	9.7
Wright	33841	3065	9.1
Yellow Medicine	6820	328	4.8

Technical Notes:

1/ Labor force data is computed according to BLS methodology. The method includes an adjustment to assure that the sum of the substate areas equals the separately estimated State total. This adjustment is Applied to all county and SMSA areas. County and area unemployment was multiplied by an adjustment factor of 1.43 ; employment was multiplied by 1.02. For a more detailed explanation see the Review of Labor and Economic Conditions, Vol. 4, No. 4, (February 1978 issue), p. 29.

2/ Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, Washington, and Wright Counties.

3/ Benton, Sherburne, and Stearns Counties.

Selected Minnesota Program Statistics

Characteristics of the Insured Unemployed

Tables 1 and 2 provide data on persons who filed a claim for unemployment compensation in Minnesota during the month. Only those claiming benefits from the regular State program are represented since data on the characteristics of Federal employees and veterans are not available.

Between November and December the total number of claimants for unemployment benefits rose by 10,365 or 16.7 percent. The December percentage increase was considerably less than that of the past four years' average November to December rise of nearly 60 percent. Claimants in mining and manufacturing were up only fractionally this December compared to previous years. The largest over-the-month increase was in the construction industry. Over-the-year, the number of claimants rose 21 percent, well under the annual increases of the past four months. Claimants in mining, manufacturing, and wholesale trade accounted for a large part of the growth from December, 1981. The annual average of total claimants in 1982 was 43 percent higher than the average of 1981 and more than double the averages of 1978 and 1979 when the economy was still quite healthy.

Table 1. Distribution of Insured Unemployed, By Age and Sex, December, 1982

Age Groups	Number	Percent Distributions		
		Men of Totals	Men of Men	Women of Women
TOTALS	72391	74.4	100.0	100.0
Under 45	55757	75.3	77.9	74.3
Under 25	15666	74.9	21.8	21.3
25-34	26389	77.3	37.8	32.4
35-44	13702	72.2	18.3	20.6
45 and Over	16634	71.5	22.1	25.7
45-54	9388	72.0	12.6	14.2
55 and Over	7246	70.8	9.5	11.5

Table 2. Distribution of Insured Unemployed By Industry and Occupation, December, 1982

Industry and Occupational Attachment	Number	Percent of Total	Percent Long-Term 1/ Unemployed	Women as Percent of Total
Total, All Industries	72391	100.0	22.5	25.6
Ag., For., Fish.	1777	2.5	4.6	12.8
Mining	6941	9.6	51.3	4.0
Construction	15540	21.4	7.0	3.4
Manufacturing	21790	30.1	23.5	32.6
Pub. Utilities	2472	3.4	15.3	14.3
Wholesale Trade	4705	6.5	23.7	21.3
Retail Trade	6511	9.0	24.3	42.5
Fin., Ins., Real Est.	1287	1.8	27.8	54.2
Services	9247	12.8	30.7	52.5
Public Admin.	1400	1.9	11.7	35.0
Inf. Not Available	721	1.0	3.6	25.4
Total, All Occupations	72391	100.0	22.5	25.6
Prof., Tech., Mgr.	7427	10.3	36.7	39.5
Clerical	5991	8.3	32.6	78.2
Sales	2009	2.7	29.0	33.3
Services	4500	6.2	23.3	58.4
Farm., For., Fish.	1570	2.2	4.3	15.7
Processing	2699	3.7	16.5	37.4
Machine Trades	5291	7.3	25.6	13.6
Benchwork	7861	10.9	22.0	49.1
Structural Work	18498	25.5	9.3	2.5
Misc.	16352	22.6	28.4	7.4
Inf. Not Available	193	0.3	23.8	42.0

1/ Long-Term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

Job Service Applicant Supply and Demand

Table 3 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and Managerial jobs are least likely to use the J.S., whereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 3 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work.

Table 3. Experienced Supply/Job Openings Demand 1/

Occupation	Applicants (Supply)	Job Openings (Demand)	Supply/Demand Ratio	
Total				
Prof., Tech., Mgr.				
Clerical				
Sales				
Dom. Services				
Other Services				
Farm., Fish., For.				
Processing				
Machine Trades				
Benchwork				
Structural Work				
Mtr. Frght., Trans.				
Pkg. & Mat. Hndlg.				
Other				

Data for Table 3 is not available at this time due to new fiscal year processing delays. This information will be included in future issues when it becomes available.

1/ Inexperienced and improperly coded job applicants are not included in this table.